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7 October 2014

For Immediate Release:

It's Not About Monetary Fines, It's About Reform, Say San Bruno Legal Filings

City Demands CPUC Impose Ethics Reforms on PG&E Following Illegal Ex Parte Emails

**PG&E Should Take Full Responsibility, Not Get Off Hook
With Offer Only to Pay Penalty for Email Scandal**

San Bruno, Calif. – The City of San Bruno has asked that a California Public Utilities Commission Judge on Tuesday force Pacific Gas & Electric Co. to take full responsibility for its actions and make significant ethical reforms as part of any penalty levied against the State's largest utility following the recent disclosure of illegal contact with CPUC officials.

In their legal filing with the CPUC's Administrative Law Judges, the City of San Bruno called for any PG&E penalty to include five specific remedies, including the appointment of an independent ethics monitor and the creation additional ex parte reporting requirements to prevent the continuation of these problems.

“PG&E has stated it will accept a fine for its illegal contact with the CPUC because it’s both a quick remedy and a financial drop-in-the-bucket,” said San Bruno Mayor Jim Ruane. “The reforms San Bruno is demanding will force the necessary lasting ethical change by requiring transparency and accountability to the public.”

“PG&E has spent million on advertising to say it takes responsibility for corrupting the process and abusing the public’s trust,” Ruane added. “But when it comes to legal maneuvers, PG&E denies responsibility and seeks out the least expensive, quickest exit. If PG&E is serious about doing the right thing, they will accept our recommended reforms without delay or protest in a demonstration of their commitment to meaningful change that’s in the public’s best interest.”

San Bruno City officials say its remedies will go much further to reforming PG&E’s culture of collusion with CPUC regulators than a modest fine – which, under current rules, would only be up to \$50,000 for each of the 12 violations of ex parte rules identified in the Gas Transmission and Storage rate case.

The city’s recommendations include:

- Strengthening PG&E’s ex-parte reporting requirements.
- Forcing PG&E to cease funding the nonprofit, California Foundation on the Environment and the Economy, which hosts industry getaways at luxurious, exotic locations, where CPUC decision makers are treated to unethical gifts and travel on PG&E’s dime.
- Requiring PG&E to provide ethics training to employees and executives, as well as CPUC commissioners and staff.
- Hiring an Independent Ethics Monitor to monitor the relationship between the CPUC and PG&E.
- Requiring PG&E pay for these remedies with shareholder – not ratepayer – dollars.

San Bruno’s legal filing comes weeks after Mayor Ruane, State Senator Jerry Hill and Assemblyman Kevin Mullin delivered a letter to Attorney General Kamala Harris demanding an investigation into the illegal communications disclosed by PG&E of 65,000 emails between the utility and the CPUC.

The newly released emails by PG&E – [available here](#) – illustrate CPUC Commissioner Michel Florio, the Chief of Staff to CPUC President Michael Peevey, and top PG&E officials discussing strategies to secure a lenient judge in an ongoing rate case related to PG&E’s multi-billion-dollar gas transmission system repairs.

The disclosure prompted the termination of three top PG&E executives, the reassignment of a top CPUC aide, the recusal of CPUC President Michael Peevey, and strengthened the demand for his removal forever from the Commission and public office.

The ex parte email scandal also provided even more evidence of the cozy relationship that National Transportation and Safety Board investigators identified as a cause of the fatal 2010 explosion and fire in San Bruno.

“Only a full disclosure of all 65,000 emails will ease the public’s fears that these emails are not just the tip of the iceberg in what could amount to serious public corruption,” Ruane said.

In fact, PG&E’s recent disclosure was prompted only after San Bruno, which recently exposed more than 7,000 pages of emails documenting the same too-cozy relationship between the CPUC and PG&E executives. San Bruno was forced to initiate a lawsuit against the CPUC to obtain these public records.

Had the city not take action, it’s likely that the same, dangerous relationship between PG&E and the CPUC would persist today, Ruane said, illustrating that PG&E, as well as the CPUC, cannot be trusted and that significant reform remains necessary.

Even more surprising, Ruane said, is that the latest communications happened in January 2014 – almost a year after the City of San Bruno first started requesting records of private emails, meaning the CPUC and PG&E knew the public was watching but continued to engage in blatantly illegal, private communication that was “against the interest and the safety of the public.”

“This scandal is another example of the CPUC and PG&E viewing themselves as above the law,” Ruane said. “It’s the same mentality that has allowed an illegal, hidden relationship to persist for decades – and the same dangerous attitude that caused a fatal explosion in our city. It’s wrong and we believe only outside, independent oversight can put an end to it so that what happened in San Bruno never happens again.”